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C O N F I D E N T I A L PANAMA 000467

SIPDIS

STATE FOR INL A/S JOHNSON
OSD FOR DASD JOHNSON
SOUTHCOM FOR ADM STAVRIDIS

E.O. 12958: DECL: 06/05/2018
TAGS: [EAIR](#) [SNAR](#) [PARM](#) [MASS](#) [PREL](#) [PM](#)
SUBJECT: IMPORTANCE OF USG AVIATION ASSISTANCE TO PANAMA

REF: A. PANAMA 462
[1](#)B. PANAMA 445

Classified By: Charge Luis Arreaga, Reasons: 1.5 B & D.

[1](#)1. (C) In the wake of the deadly crash of Panama's sole operational National Air Service (SAN) helicopter (see reftels), and following on President Torrijos' visit to Washington in early May, the time is now for consideration of greater USG aviation assistance to Panama. As a major logistics center and transshipment point for the movement of cocaine to the U.S., Panama desperately needs to count on aviation support to assist with USG-led interdiction efforts. It also requires aerial transport capability for security forces to the remote Darien region that has experienced a marked increase in FARC presence and activity in recent months.

[1](#)2. (C) Panama's current rotary wing fleet consists of four Bell 212 helicopters, inadequate to meet counter-narcotics and counter-terrorism challenges. Three helicopters were originally purchased from Israel. None are currently operational, and all require major updating/refurbishing. A current SAN proposal, reportedly pending final Presidential authorization, is a roughly \$8 million contract (GOP funded) to refurbish the four helicopters with a Canadian firm.

[1](#)3. (C) While Panama enjoys a budget surplus and should be able to dedicate significant resources to refurbish and/or purchase new helicopters, it requires a reliable, ongoing partner for training, support, and key maintenance. In the absence of USG-donated new helicopters, we believe the USG should attempt to provide support and financing for Panamanian-funded acquisitions. Panama received no FY 08 FMF funding and projected FMF/other security assistance funding levels for FY 09 remain insufficient to support any refurbishment of the SAN's inventory nor the purchase of any new helicopters.

[1](#)4. (SBU) In late 2007, NAS proposed a major air readiness program (training on maintenance and operational procedures) for rotary wing SAN aircraft, in close coordination with INL/Air Wing and U.S. partner Bristow Air Academy. The program counts on a strong buy-in from the senior levels of the GOP. We look forward to the completion of the contracting of this long-awaited program.

[1](#)5. (C) State and DOD aviation assistance would help meet a critical need for Panama as it continues to work closely with us on counter-narcotics and begins to take a more active posture vis-a-vis the FARC. The early July visit of Daniel

Delgado, Minister of Government and Justice, will provide an additional opportunity for senior-level engagement with the GOP on this critical need area.

ARREAGA